

July 15, 1981

Mr. and Mrs. John Edward Smith
13233 Catoctin Furnace Road
Thurmont, Maryland 21788

Re: First Federal Savings & Loan Association
Our File No. 14500/00619
13223 Catoctin Furnace Road
Thurmont, Maryland 21788

Dear Mr. and Mrs. Smith:

This is to notify you that our firm represents First Federal Savings & Loan Association of Hagerstown.

Our client has contacted us in reference to your loan secured by a Deed of Trust dated February 16, 1978. Your loan is in default for failure to pay your monthly payments when due. Pursuant to the terms of the Deed of Trust and Note, the entire balance due has been accelerated. The current amount due is \$27,234.03 principal, interest from February 1, 1981 through July 1, 1981, \$1,028.08, late charges of \$36.04, (totalling \$28,298.15), and per diem interest after July 1, 1981. Therefore, in compliance with instructions received from First Federal Savings & Loan Association, we are hereby making demand that this loan be paid in full, plus any attorney's fees, and all costs incurred. Simultaneously we are instituting foreclosure proceedings against your property and the improvements thereon in the Circuit Court for Frederick County, Maryland.

In the event your property is sold at public sale and the property fails to bring a price sufficient to satisfy your debt and all costs and fees involved in foreclosing your property, a Deficiency Decree may be entered against you after the sale.

We suggest that the property be open for inspection and that you be present with keys to all doors and locks and cooperate with requests for inspection for the purpose of obtaining the best price possible for the premises.

Very truly yours,

STERN, FINEGAN & WINIK, P.A.

Seymour B. Stern

SBS/LEF/clm
cc: First Federal Savings & Loan
Association of Hagerstown

EXHIBIT 1

Filed 9.16.81